

ASSESSMENT INFORMATION

1. Reason for Assessment. The property owners within the Assessment District have petitioned the District to create the Assessment District to fund the construction of a newly treated water system due to failing individual wells. The new system will be built and maintained by the District, and will be available to supply drinking water and fire flow to each of the Assessment Parcels.

However, an Assessment is only permitted if, prior to the close of the Public Hearing, at least as many Ballots are submitted in favor of the Assessment as are submitted in opposition to the Assessment, with the Ballots weighted according to the proposed Assessment on each Assessment Parcel. If the weighted Ballots submitted in opposition to the Assessment exceed the weighted Ballots submitted in favor of the Assessment, a “majority protest” exists, and the proposed Assessment cannot be charged. All parcels are weighted equally for this Assessment District.

2. Total Assessment within Assessment District. The total maximum amount to be assessed for the proposed DaLee / Cassidy Water System Assessment District is \$835,248. Each parcel will equally share in this assessment. Qualifying parcels can elect to have an Optional Additional Assessment of \$10,750 to finance water capacity and meter connection fees. The optional assessment is only available if a parcel has a permitted structure or has a building permit.

3. Amount of Assessment on Parcel. The maximum amount of the proposed Assessment on your parcel is \$16,950, unless you affirmatively elect to include your water capacity and meter connection fee, in which case an additional Assessment of \$10,750 will be levied.

4. Duration of Assessment. If the Ballot process results in the approval of the creation of the Assessment District, you will be mailed a notice giving you 30 days in which to pay your Assessment in full or in part, should you elect to do so. The amount of any unpaid portion of your Assessment will become a lien against your parcel. The District will then authorize the issuance of limited obligation improvement bonds in the total amount of all unpaid Assessments. The term and interest rate of the bond issue will depend on market conditions at the time of the sale of the bonds. The annualized cost of any unpaid Assessment will appear on your County property tax bill each year until the bonds have been paid in full.

5. Basis for Assessment. The amount of the proposed Assessment is based on the maximum estimated cost of the newly treated water distribution system, including design, construction (and water capacity and meter connection fees, if you affirmatively make such election on your Ballot), bond costs, and District and County costs related to the Assessment District. There are 56 parcels within the proposed Assessment District, with all parcels evenly dividing the total cost. Each Assessment Parcel owner may uniquely elect to also include the cost of its water capacity and meter connection fees. This results in a proposed maximum Assessment of \$16,950 for each of the 56 parcels, and a proposed maximum additional Assessment of \$10,750 for each Assessment Parcel that affirmatively elects to also include its water capacity and meter connection fees.

6. Administration Costs. The Board intends, pursuant to subparagraph (f) of section 10204 of the 1913 Act, to authorize an annual assessment upon each of the parcels in the proposed Assessment District to pay various costs and expenses incurred from time to time by the District, and not

otherwise reimbursed to the District, that result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto. For purposes of estimating, this amount is \$150 per year.